

EXHIBIT 9

* financial projections - aiming for Fri 2/13

revenue projections

Status quo spending going forward

inform budget priorities of spending plan

Planning + Dev

good EDC meeting

* communications - dept newsletter + constant contact

* steering com for Arthur Choice grant

DPW

BioWork

⇒ ☐ monthly metrics

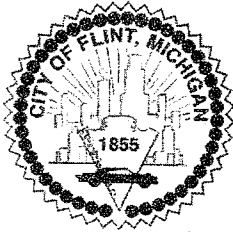
Swedish BioGas:

Chovy, RRS

public information campaign

Finance

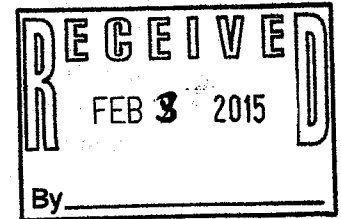
* budget process



OFFICE OF THE CITY COUNCIL PRESIDENT

JOSHUA M. FREEMAN
COUNCILMAN - WARD 4

February 3, 2015



Ms. Sue F McCormick, Director
City of Detroit
Water and Sewerage Department
735 Randolph St
Detroit MI 48226-2830

Ms. McCormick

I wanted to thank you for attending our City Council meeting on January 26th and again expressing your willingness to work with the City of Flint to provide a possible alternative source for drinking water.

As your letter dated January 12th indicated, you have proposed a specific rate for providing water should the City of Flint be interested in a "long term arrangement with DWSD."

While I fully understand the rates you provided for actual use of the system (\$846,700 fixed fee and \$14.92/Mcf), I do have a few questions as it relates to your offer.

First, how do the recent rate increases that you are proposing affect this proposal?

Second, are the rates that you have proposed for the City of Flint or are they for Genesee County? As you may or may not know, we sold a portion of the pipeline that was previously used by us to conduct water from your system to ours. As a result, we may now have to purchase water from Genesee County as we have no direct connection to your system. Are you proposing these rates to them as well?

Third, is this rate good for a short term use? Again, as you know, we are scheduled to start receiving water from the KWA sometime next June and it is anticipated, should we choose to return to your system, that we would no longer need to purchase water from DWSD. So what is the shortest period that you would consider when making this offer?

Fourth, what are the specific requirements or steps that you would demand the City of Flint accomplish prior to reconnecting to your system? It seems overly simplistic to say

2/5/15 DPW

- Quarterly Report + Notice
mailing recommendation
- Customer Satisfaction
FTE + prof services
public info + customer support
- Snow Removal
areas for improvement

☐ Citywide call center, status?

⇒ ☐ data on billing + treating

2/6/15 EM

- Water Advisory Board
20 approx
- GM requested ~~release~~ credit adjustment
EM, look at it
- Council- Dept Process
and resolutions
Thurs or Fri prior to Council
Mar fest run
- Scarves
is there a legal precedent?
can we reiterate case by case
- Legal
ordinance on streets/^{safety} emergency
board + commissioner appointment
- ☐ Reconciliation on JDA
- HR: MML, Joyce Parker is lead
open ~~area~~ in March
- Fire
- Treasurer
- Finance

2/9/15 Exec

- Council issues master planning steering cmte
MTA, EDC appointments Council
special order - EM on water consultants
- considering ordinance list
- Strategic Plan
also collect performance metrics
- SAFER?
- Meetings
 - * efficient use of time * dates + next steps
 - * email notes
- Water
 - * DHS / Headstart
 - * Burton, water customer of City
- Legal
 - * CA order
 - * Council cmte structure order + Council presidt authority
(consolidates ~~in concert with~~ prior orders)
 - public comment before agenda (3 min ea.)
 - drop 5 min. at end of mtg
 - * DDA boundaries
- incl Megan
- Mar, Planning & Development
 - * Charter Commission costs \$100K+ in 1974
- email from Pete
 - * CFGF, ways to help

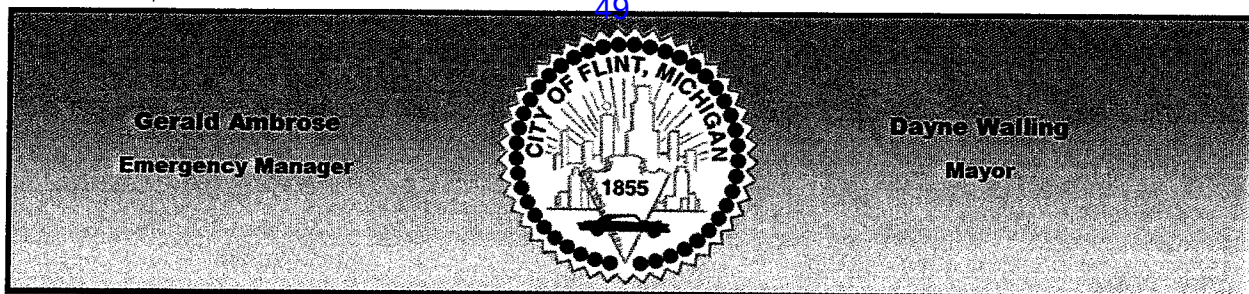
Flint Emergency Manager Task Chart

9-Feb

	Item	Who	7 Pt. Plan	Completion Date
Planning	Conduct Historic District Public Hearing	mh		1/16/2015 Complete
Finance	Present FY15 2nd Qtr Report to City Council	ds	7	1/21/2015 Complete
Public Safety	ICMA Study - Presentation to PS Cmte. and Implementation Plan	jt dc	7	1/22/2015 Complete
Admin	Begin Executive search (HR, Tr, Fin)			1/22/2015 Complete
Finance	Present FY14 Audit to City Council	ds	7	1/26/2015 Complete
Admin	Conduct Strategic Planning Workshop (staff)			1/26/2015 Complete
Planning	Adopt CIP	mh		1/26/2015 Complete
Council	Approval of Financial Ordinances		7	1/26/2015 Complete
Admin	Conduct Strategic Planning Wkshop (Council)	ja		1/28/2015 Complete
Admin	Provide a Letter on Council Training Plan	ja	7	1/28/2015
Finance	Complete Single Audit	ds	7	1/28/2015 Complete
Personnel	Make Interim Assignments HR, Finance	ja		1/30/2015 Complete
Admin	Enact Council Organizational Order	pb,ja		2/1/2015 Complete
Finance	Enact FY15 Budget Amendment	ds,ja		2/1/2015 Complete
Admin	Select Consultant for water issues	ja/em/dw		2/3/2015 Complete
Admin	Identify issues to go before Council	exec team		2/9/2015
Admin	Decide which ordinances need to be completed	ja pb jf		2/9/2015
Admin	Depts submit Strategic Plan Objectives	ja		2/9/2015
Finance	Complete Strategic Plan Update	ja	7	2/10/2015
Fire	Decide on applying for SAFER Grant	dc lm		2/10/2015
IT	Implement IT Governance Model	pk		2/10/2015
Finance	Complete Five year Financial Projections	ja		2/13/2015
Communic	Complete Website Punch-list	jl		2/15/2015
Facilities	Complete Purchasing Relocation	hc		2/15/2015
Admin	Enact Organizational Reporting Order	pb,ja		2/16/2015
Admin	Extend Cornerstone Contract	ja		2/16/2015
DPW	Define specific Infrastructure projects	hc		2/16/2015
Finance	Establish Budget Prep Timeline	ds		2/16/2015
Police/IT	Complete SRMS Implementation Charter	jt pk		2/16/2015
MML	Complete Profiles for FD, TR, HR, (Fire?)			2/20/2015
DPW/Fin	Complete RFC analysis of utility revenues	ja		2/18/2015
Admin	Enact Purchasing Ordinance	ja	7	2/20/2015
Finance	Council to Adopt budget priorities	ja		2/23/2015
Admin	Evaluate Alternate DEP structure	ja		2/23/2015
Admin	Decide Council Pay / Mayoral Pay	ja		2/23/2015
Admin	City Administrator Starts	ja		2/23/2015
Finance	Update financial projections to Council	ds	7	2/23/2015

Item		Who	7 Pt. Plan	Completion Date
Finance	Complete Court Consolidation MOU	ja		2/28/2015
Finance	Finalize MERS transition	ds		3/1/2015
Admin	Begin drafting Final Order	pb,ja		3/1/2015
Facilities	Complete Law Office Renovation	hc		3/1/2015
Legal	Complete Tower Transfer to GC 9-1-1	lm		3/10/2015
Legal	Complete Tower Property Lease	pb		3/10/2015
HR/Legal	Complete MOU for 9-1-1 Personnel	dj jc		3/10/2015
Legal	Complete MOU for 9-1-1	pb		3/10/2015
Admin	Adopt other Final Ordinances	ja jf pd	7	3/15/2015
Admin	Complete RTAB Confirmation	ja ww		3/15/2015
IT/ Clerk	Update City Council Chamber's technology	ib jf pk		3/15/2015
MML	Complete Advertisements for Positions			3/20/2015
MML	Select finalists			4/3/2015
Finance	Provide 3rd qtr Strategic Plan Update	em		4/6/2015
Finance	Provide 3rd qtr Budget Update	ds		4/6/2015
Finance	Present FY16 Budget Update To City Council	ds	7	4/6/2015
Finance	Present FY17 Budget to City Council	ds	7	4/6/2015
Public Safety	Develop Public Safety Implementation Plan	jt dc		4/6/2015
Econ Dev	Complete Smith Village Development	ta		4/6/2015
Admin	Enact Final Order	ja pb lm	7	4/8/2015
Admin	Tell the Story of the Flint EM Period	ja lm eric s		4/10/2015
Finance	Present FY15 3rd Qtr Report to City Council	ds	7	4/15/2015
MML/Admin	Complete Reference Checks and Interviews			4/24/2015
MML/Admin	Make Appointments			5/1/2015
Clerk	Plan for Charter Commission Support	ib pb		5/1/2015
Clerk	Hold Charter Commission Election	ib pb		5/12/2015
MML/Admin	New Appointees (FD,TR,HR) start			5/15/2015
Personnel	Complete Executive Search	ja nh		5/15/2015
Police	Manage 911 Move	jt		7/1/2015
Finance	Present FY15 4th Qtr Report to City Council	ds		7/15/2015
HR	Participate in SEI 3-Day Workshop	hc		4/6-8/15
Utilities	Progress on Water Quality issues, including prep. for additional notifications	hc,dw,lm,j a,pb		Monitor
Legal/ Util	Monitor Chevy in the Hole Grant Contract	pb ja dj		Monitor
Treasury	Progress on Water Theft investigation	am		Monitor
Planning	Complete CSX transfer for trail	mh		Monitor

Item	Who	7 Pt. Plan	Completion Date
Finance	ds	Monitor	Monitor
Planning/Clerk			
MERS to complete pension valuations			
Complete Business Lic. Plan and Implementation	pb mh ib	Monitor	Monitor
Admin	ja em	Monitor	Monitor
Implementation of Public Safety Rec.	ja em	Monitor	Monitor
Admin	ja em	Monitor	Monitor
Progress of executive recruitment	ja em	Monitor	Monitor
Admin	ja ds	Monitor	Monitor
Progress of P&M finance projects	ja	Monitor	Monitor
Admin			
Progress of Council Training			



Jason Lorenz
Public Information Officer
(810) 237-2039
jlorenz@cityofflint.com

For Immediate Release

Flint Hires International Urban Water Experts of Veolia North America to Assess City's Water Issues

Flint, Michigan – February 10, 2015 – The City of Flint has retained a team of urban water experts from Veolia North America to conduct an analysis of the city's water system. Veolia, which is the world's largest water services and technology company, will assess how Flint's water is tested and distributed, including reviewing water treatment processes and operations, laboratory testing and analysis, and engineering reports that detail the city's treatment and distribution systems.

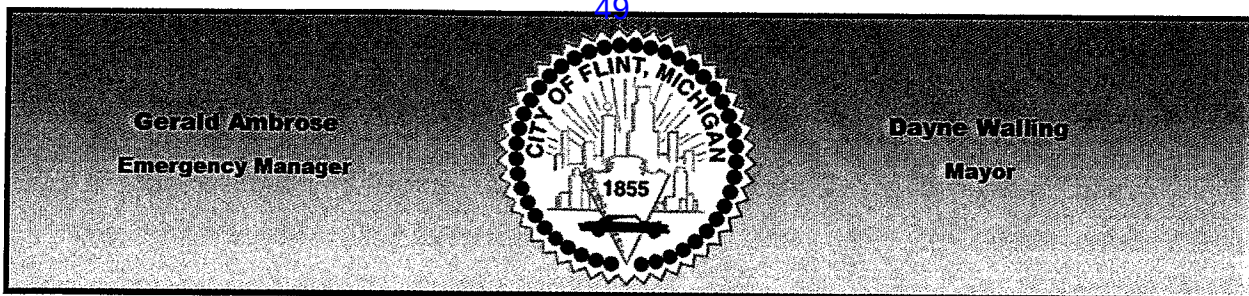
"We understand the frustration and urgency in Flint," said David Gadis, vice president of Veolia North America's Municipal & Commercial Business. "We are honored to support your community with our technical expertise so that together we can ensure water quality for the people of the city of Flint."

Veolia anticipates its analysis to take less than two weeks, at which time they will present findings to City officials, including the Mayor, City Council and the Emergency Manager. Once the findings are presented, city officials will determine how to move forward.

"Addressing the City's water challenges are the top priority right now and it is important to bring in an independent, highly qualified team to work with us to address the safety and quality issues," said Mayor Dayne Walling.

–CONTINUE–

City Hall
1101 S. Saginaw Street - Flint, Michigan 48502
810-766-7346 FAX: 810-766-7218 www.cityofflint.com



“Until we have completed our analysis, we cannot say for certain how long it will take to provide solutions to Flint’s current water situation,” said Gadis. “We have extensive experience handling challenging river water sources, reducing leaks and contaminants and in managing discolored water.”

“Veolia worked diligently to respond to our Request For Proposal in a thorough, professional way and demonstrated the ability to immediately support us as we ensure safe, clean water for our residents,” said Emergency Manager Jerry Ambrose.

The Veolia team hit the ground running Tuesday morning, meeting with water officials to provide an overview of the work to be conducted. “We look forward to helping Flint’s team find ways to address and improve the city’s drinking water operation,” Gadis said.

The company designs and provides water, waste and energy management solutions to communities and industries across the country, including providing water and wastewater services to 530 communities in North America. More information is available at www.veolianorthamerica.com.

—END—

2/10/15 Veolia

public, no confidence

notice garnered attention

is problem solvable in the short term?

extraordinarily high rates

2 at plant

equipment, maintenance

water process

also employee
training

Standard operating procedures

distribution & lines

also customer service, public info

need budget + org chart

customer feedback

advisory group

water hotline

~~customer service rep.~~

meet and discuss first

produce draft report for review

take a holistic look

components need to talk

Sequence

initial ideas

Cedar St offline
test water upstream
meter replacement
meter storm sewer
split test samples

2/10/15 Water

Veolia

issues and challenges are not unlike other communities
appreciation for tough job

Question about LAN

Veolia, we're operators, develop resiliency
will review LAN report
bring worldwide knowledge + experience

timeframe

individuals at plant today
will come back in next week for discussion
following week will provide report

resume

work in 900 communities per year
used to day to day problems

Cost of Solutions

committed to delivering quality water
range of problems - confidence in fix
problems are fixable

issue is timing

Scope of Work

limited engagement, 2 weeks \$40,000
talk about implementation
river and future transition
look at both

Customer engagement
will recommend citizen advisory group
citizen involved at informal
also technical advisory group
need to call and get citizen complaints
upset citizens

yes, experienced it
dealt with thousands of complaints
taste, odor, businesses

cost concerns

Common expectation to reduce costs
not at trading off quality
^{not} focus on efficiency, starting w/ clean ^{good} water
citizens to know

we take water seriously, it's essential
Council Feb 18 presentation

2/12 draft

Potential Water Advisory Committee Members											
Josh Freeman	City Council President										
Jackie Popular	Chair Public Works Cmte.										
	Rep. Concerned Pastors										
Tim Herman	CEO Chamber of Commerce										
Melanie Gavulic	CEO Hurley Medical Center										
Jamie Gaskin	Executive Director United Way										
Reta Stanley	Executive Director Big Brothers/Big Sisters										
	Flint Community Schools rep.										
	GC Health Dept. rep										
Bryant Nolden	GC Commissioner										
Dr. Sam Dismond	Local Phsicina, Former Hurley Chief of Staff										
	U of M Flint rep										
Kevin Keane	Consumers Energy										
Jack Minore	Flint River Watershed Coalition, former State Rep and City Council Mbr										
Clarence Pierce	CEO Hamilton Community Health Network										
Jason Caya	Downtown resident, owner downtown brewery										
	Master Plan Infrasructure team: V.Morckel, B. Hill, S. Severn										
	Kettering Scientist - Dr. Stacy Seeley - Dept Head Chem and Biochem										
Jeff Wright	GC Drain Commissioner										
Mike Melenbrink	The Torch restaurant owner/ city resident										
Fr. Phil Schmitter	Community Activist - FACT										
Joe King	Flint MTA appointee - President Flint Neighborhoods United (executive committee)										

Genesee COGIC

Technical - GM
Co. Health Dept.

MSW/Rose

when is best time

GFHC

MCC

Kettering

Drach out
to IGA

MDEQ

EPA

Drain Commissioner



Dayne Walling <dwalling@cityofflint.com>

Fwd: Draft of Water Quality Advisory Group List

Dayne Walling <dwalling@cityofflint.com>

Fri, Feb 6, 2015 at 5:20 PM

To: Gerald Ambrose <gambrose@cityofflint.com>

Cc: Howard Croft <hcroft@cityofflint.com>, Kelly Rossman-McKinney <krossman@truscottrossman.com>, Elizabeth Murphy <emurphy@cityofflint.com>

I would suggest a 20 member group with a majority of Flint residents. This will add a great deal of credibility to the board. The group should also have technical expertise. This balance of community leadership and expertise worked well in the master planning process. I also strongly urge that the group operate under the open meetings act.

Here are some names/sectors that I would recommend be included
person chairing the master plan implementation team on infrastructure
Kettering scientist

instead of Jim Henry from Health Department I would want Health Dept Director
suggest Rev. Fuller as faith representative. he is a city resident and president of the statewide baptist convention
Drain Commissioner Jeff Wright
GM engineer
restaurant owner

On Fri, Feb 6, 2015 at 10:18 AM, Gerald Ambrose <gambrose@cityofflint.com> wrote:
[Quoted text hidden]

—
Dayne Walling
Mayor, City of Flint
City Hall, 1101 S. Saginaw St.
Flint, MI 48502
810-766-7346
mayor@cityofflint.com



Dayne Walling <dwalling@cityofflint.com>

Fwd: Draft of Water Quality Advisory Group List

Dayne Walling <dwalling@cityofflint.com>

Sun, Feb 8, 2015 at 10:26 PM

To: Gerald Ambrose <gambrose@cityofflint.com>

Cc: Howard Croft <hcroft@cityofflint.com>, Kelly Rossman-McKinney <krossman@truscottrossman.com>, Elizabeth Murphy <emurphy@cityofflint.com>

I have been giving this more thought this weekend. My primary concern is that the group as we are considering constituting it now is unlikely to be able to fundamentally change the confidence level of the wider public, especially the large number of lower income individuals who are not trusting of large stakeholder organizations. I believe that this group would respond better to an effort that included the White House, SC2, Congressman Kildee, etc.

Therefore, I am recommending that we actually convene 2 groups. One would be an Expert Review Board headed by a federal official representing President Obama. The second would be the Community Advisory Committee, largely the group we have been discussing.

Expert Review Board could include: EPA, US Dept of Health and Human Services, CDC, White House/SC2 along with State DEQ, County Drain Commission, State/County Health Department

Community Advisory Committee would be the list we have been working on with a few additional pastors, business leaders, and neighborhood leaders such as Father Schmitter (Christ the King and FACT), Joe King (president of Flint Neighborhoods United, MTA board member), member of Democracy Defense League. I think making it more community based will add legitimacy too

I would think we could put these in place by the end of the week and be a good complement to the announcement of the consultants coming on board and starting their work

[Quoted text hidden]

List of Potential Water Quality Advisory Committee Members

February 6, 2015

Josh Freeman – Council President
Jackie Poplar – Chair Public Works Cmte.
Pastor Al Harris – Community Water Activist
Tim Herman – CEO Chamber of Commerce
Melanie Gavulic – CEO Hurley Medical Center
Jamie Gaskin – Exec. Director United Way
Reta Stanley – Exec. Director Big Brothers/Big Sisters
Larry Watkins – Supt Flint Community Schools
Jim Henry – GC Health Dept
Byant Nolden – County Commissioner
Dr. Sam Dismond – Local Physician, Former Hurley Chief of Staff
Dr. Susan Borrego Chancellor U of M Flint
Jack Minore
Consumers Energy

2/13/15 Veolia, update

- Veolia, Rob perspective

* preliminary review
changes in chemicals
filters mai

ongoing testing w/ process

looking at actual specific chemical levels + changes

* relative to Bowcock

already looking at issues he has raised

* back Mon am

bring in additional testing equipment

forecast out in distribution system

optimize each aspect of plant treatment
model costs for new treatment recommendations

* implementation timeline

2-3 weeks to get to households after treatment

speed up valve testing

* 2 issues

security is lapsed, lock front gate

cleaning crew, it is not clean

looks uncared for

* presentation for next week

100s of communities have TTHM

Chlorine + color, explanation + quick actions -
policies and procedures

* feasibility of the whole package

Schedule, sequence + time to implant

recommendations for highest impact

costs, operational + capital

silt address
TTHM
bacteriological
chlorine
red water

"you made corrosive water"
water changes in the distribution system

- advisory committees
sooner than later
tech + community need to know what
you are doing
get okays before public works cmte
name invitees, information
explain roles + responsibilities
tech cmte
meet week of 2/23 at plant

- LAN role

pretty helpful, gave good advice
investment ^{there} has been fine

- general issue: haven't had seasoned people
in place

Tues 2/17 9am next call

- four

not open to media
don't take pictures + post

2/18/15 Exec

quote: on water board
O water email

- budget

incentive pay for MMC training

water advisory focus on quality in feb; budget war

Mayor's budget will incorporate committee's recommendations
expand public role

however
they want
to do it

water, churches pick up this Fri



- email soliciting input on quarterly plan
strategic plan
planning year in review
draft joint letter

- budget

* adjustments

- retiree health judge's order
- 911

parks
fire region
region detective

* pending

- courts consolidation (next month)

* MSP role (City participation in FANG)

* will have structural budget deficit going forward

* SAFER, look at FY17

- ordinances

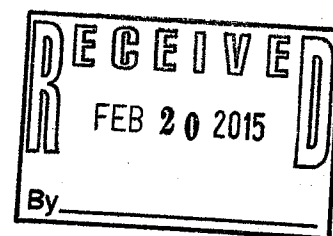
IT Governance

Compensation

Don Mandeville
4085 Four Lakes Avenue
Linden, MI 48451

February 16, 2015

Dayne Walling
Mayor
City of Flint
Municipal Center
1101 S. Saginaw Street
Flint, MI 48502



Dear Dayne Walling

Thank you for the opportunity to be included in the Flint Water Fair that was held at the Center of Hope facility. We received great comments from the citizens of the Flint community for both the response from the city and the information on the different filtration options available at The Home Depot.

We have several solutions that will assist in solving the communities concern over the quality of drinking water and the removal of chlorine. The below filtration systems will also be advantageous for an aging population and citizens with chronic illnesses:

Home Master 2-stage whole house filter (sku # 203515356)-This system treats chlorine, sediment, turbidity, pesticides, herbicides, and other chemicals. The main purpose of the Home Master whole house water filter is to deliver clean, clear water to every faucet and bath in your home without drawing down water pressure.

RT-200 Whole House Water Filtration System (sku # 204352514)-This system is NSF Certified to remove over 97% of chlorine present in tap water in addition to reducing other harmful contaminants such as pesticides, herbicides, rust, sediment, water soluble metals and industrial solvents.

My team and I are dedicated to assisting the Flint area with the water issues that are affecting the community. We have several resources and options that can be leveraged to impact the water quality concern. Through partnership and communication, I'm confident that we can assist you with solving this issue. If my team or I can be of further assistance please do not hesitate to reach out.

Sincerely,


Don Mandeville
District Manager

CC: Gerald Ambrose

Love Your City
to Megan + Jason
for column

Council
logos

OKWA Mtg
CANUSA failing

2/17/15 Core Staff

- EM: CA starts Mon; "another new beginning"; City Council budget workshop, roles of governing body; Strategic plan objectives translate into budget and critical tasks; updating 5 year projection; last years projection showed - \$5 M in FY17, may be better now; timeframe for resos - change in mindset; COW deadline was yesterday 2/16

- Finance: considering enactment of purchasing ordinance; few BSA items remaining; Kiosk vendor coming in for meeting; communication w/ franchise customers; next water notice 3/15;

EM+Mayor Dept budget teams Thurs Feb 26 9-11am; leak detection RFP to purchasing by end of week; university interests in interns

SRMS - finalization of charter

- Public Safety

Police - focus on robberies w/ federal Hobbs Act 114 total staffing; 99 sworn officers

Fire - ICMA, ISO rating w/ DPW; dirt street w/o hydrant; fires down

Courts consolidation mtg this afternoon

- Legal: status conference on Welch, trending in our direction ^{Back}

- Clerk: election training; minimal charter commission campaign activity; petitions 11 for Mayor

- Planning/Dev: monitoring starting for 2011-2013

- DPW: pipeline for KWA; kudos for KGCB; quarterly recycling letters (to non participating households)? Add recycling to Council agenda

Thank
you
notes

- Public Info

website - is it being updated, by depts? calendar?
water advisory committee - two process on concerns
looking for individuals to nominate
also technical advisory cmte
facilitation?
participant expectation? } guidance from
Veolia

2/17/15 Veolia

Solutions

purpose

- * layman, short, cover important topics

review

- * "unbelievably transparent", releasing data
- * promote website
- * red/yellow water is iron and air
- * discolored water
 - higher volume of main breaks
 - hydrant flushing
- * rashes - over chlorination
isolated incidents
- * THM - relation to chlorine, byproduct

recommendations

- * 3: water plant, distribution system, better communication
- * double in capital plan + budget

keep
it simple
for
presentation



Dayne Walling
Mayor

City of Flint

Utilities Division



Gerald Ambrose
Emergency Manager

To: Howard Croft, DPW Director

From: Daugherty Johnson, Utilities Administrator

Date: February 17, 2015

RE: FY 14/15 projects underway or upcoming

Leak Detection: State of MI grant has allowed for extensive leak detection activities to begin this spring. The plan is to begin after Main break season. Requisition and RFP will be in Purchasing by February 20, 2015.

Cedar Street reservoir electrical upgrades: The electrical upgrades to this 20 MG clean water storage facility are currently under way. This will replace 1950 technology for improved reliability as well as capacity for a generator hook up.

Hamilton Dam planning & design work: The preliminary design work needs to be updated to reflect the reduced project scope. We will be submitting a \$500k grant application Feb 18th 2015.

Torrey Rd booster station: This drinking water pressure boosting station will have electrical as well as pump replacement for improved reliability and efficiency. All the parts are in and work will be completed by end of the fiscal year

Create GIS maps of the Utilities assets: Consensus has been achieved within DPW to use CityWorks as our platform. Funding is available for implementation with an approved SAW grant reimbursement available likely in FY15/16.

Residential Meter replacement: Requisition and Bid specifications have been submitted to Purchasing. Scope of the overall project will require Fund Balance. There was \$750k budgeted this fiscal year to fund the ongoing work.

Comprehensive Energy and Efficiency performance contract: This project will improve efficiency and reliability throughout the Utilities division. The right vendor will also be able to fund the project through guaranteed savings. The requisition has been submitted but the RFP has yet to be approved by Purchasing.

Decommission Incinerator: The design work is completed and process piping is underway. Most parts are onsite or ordered. Major construction on the Load out Facility will begin in early spring 2015.

Convert biogas to energy: All necessary contract amendments have been completed and Bioworks Inc. has completed design work for generator installation. Site preparation has begun and financing is in place to complete the project.

Complete Hardest Hit Cut and Plugs: Work is ongoing with 1600 out of 1700 completed. The remaining uncompleted cuts were added to our workload recently as new funding became available for the Civic Park area.

Chevy Commons Infrastructure abandonment: Contracts have been signed for the slip lining of the 30" storm sewer on site. LA construction will abandon in Phase 1 area and the City will abandon structures outside of Phase 1.

Chevy Commons Green Cap: All necessary Agreements have been completed with the Land Bank for work to proceed with Phase 1 of the Green Cap. LA construction was selected as the vendor for the project at a cost of \$1.9 million

Chevy Commons Phytoremediation: All documents have been signed and our vendor ECT has been authorized to begin design work with planting scheduled to begin as soon as the weather breaks. This is a \$400k grant for use throughout the site.

Chevy Commons compost Consent Decree: All preliminary steps have been completed in accordance with the Consent Decree. Our vendor RRS has failed to meet the deadlines in the contract which has increase City's liability by \$105k held in escrow if the job isn't completed. We'll need to procure a backup vendor to prevent escrow loss.

Q water sources fact sheet

Wright

- franchises - all ^{initiated} agreed to by property owners
his office has all copies
- noticing - what exactly does state
require, billing or property address
- Detroit rates - 17% for Flint / Genesee
- December - ~~O'Brien at water forum~~
~~Dec 2016~~

perfect weather + supplies

Jan / Feb 2016

June 2016 Flint

pipe to property County at same time

Dec 2016 treatment ready

correction letter to US, sent to Forger

Council engagement?

DPW Committee agenda?

~~Planning~~ DPW

2/18/15 Council Cmte

4/45

Mark Rupp

202-564-6074

Letter to Administrator

- preliminary report Veolia
great staff in water dept
water testing safe
all sites in compliance for TTHM
discoloration, worst w/ cast iron pipes
tracking customer complaints is important

best management practices

process control

lab quality assurance

computerized maintenance model

asset management

training

vulnerability plan (contingency)

distribution systems

2 weeks plant to house - goal

track customer complaints

Customer service + communication

reactive to proactive

training for staff

billing from card to envelope

doorhangers

Simplify info on web

timelines

changes for chemicals, ^{input} type and place in process
needs to state approved
report next week then another to finalize

→ discussion

- * are we using ammonia? no and not recommended
- * compare recommendations w/ Bowcock
- * when will we have a "good water"?
- * already know what you are finding out now
- * operator needs to be Michael Jordan of mixing water
- * water is not safe because we are getting another notice
- * harsh chemical mixture adds to discoloration
- * can it be fixed while it is off?
- * concern about summer months
- * air TTHM issues
- * do need better communication + public presentation
- * adjust existing budgets to match recommendations
- * lives are on the line, it is not safe
- * concern about chlorine levels
- * what about a toxicologist? - EPA
- * "money shouldn't be a thing" Mays
- * allegations against Veolia
- * upset, where do we go? can't drink or use water

→ when will next meeting be with Council?
need to see plan to get people back

- DPW: Snow Removal

questions about

policy on outfitting trucks w/ plows

policy on fleet turnover (plows ^{now} 8+ yrs)

need timelines and accomplishments

how did we do?

issue with blades on tractors [?]

[problem w/ antagonistic attitude]

limited equipment and manpower

did we have equipment in place required by plan
15 trucks?

snow plowing is a basic service, we have
to be able to provide it

- Water Ordinances

additional leak adjustments

expand poverty exemption on water ^{costs} service to renters

tie to water affidavit

reduce water deposit

2/12/15 fm

- Publi - Work

major projects, carbon filters, need to set direction

purchasing timeline

advisory boards - ^{scope} process

Veolia - customer perceptions

CA - next week

water improvements timeline

→ budget + strategic plan
presented together

purchasing
roads
fire

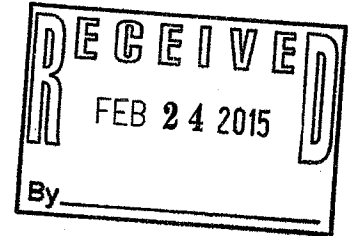


CITY OF DETROIT
WATER AND SEWERAGE DEPARTMENT
OFFICE OF THE DIRECTOR

735 RANDOLPH STREET
DETROIT, MICHIGAN 48226-2830
WWW.DETROITMI.GOV

February 19, 2015

The Honorable Joshua M. Freeman, Councilmember
City of Flint, Michigan
1101 S. Saginaw Street
Flint, Michigan 48502



Dear Councilman Freeman:

Regarding: Your letter of February 3, 2015

Thank you for your letter of February 3, 2015 in which you seek additional information related to the Detroit Water and Sewerage Department's ("DWSD") offer to resume supplying drinking water to the City of Flint. Specifically, you have asked several follow-up questions related to the nature of the long-term arrangement I referenced within my letter, as well as some technical questions regarding rates and the method for reconnection in light of changes Flint has made to its system in the interim timeframe.

I will attempt to provide as much clarity as possible through this response. For starters, the rate quoted in my January 12, 2015 letter is related to the current rate year ending June 30, 2015. As new rates are adopted each year, the relative methodology as is applied to current DWSD wholesale customers would also be applied to Flint (and Genesee County) and will impact your rates, accordingly. In other words, rates will change in accordance with DWSD revenue requirements each year that Flint (and Genesee County) receives water from DWSD. That is why my prior letter only quoted a specific rate through June 30, 2015. Our Board of Water Commissioners has not yet adopted rates for the 2015-2016 rate year.

Secondly, you have asked if the rates described in the January 12, 2015 letter are exclusive to Flint or if they also would cover the Genesee County Drain Commissioner ("GCDC"). I certainly envision that the rates associated with Flint would also be available to the GCDC, as the two entities have utilized service pursuant to a single contractual arrangement in the past. To that end, DWSD is open to the possibility for a contract to be entered into by either Flint or GCDC on behalf of both customers, depending on the intricacies of the connections that you referenced with respect to Flint's recent sale of pipeline to GCDC. As noted previously, entering into a contract is not required to reinstitute service to Flint during the current emergency situation, in anticipation of further discussions toward a future service relationship.

Additionally, you have asked about short-term as compared to a long-term contractual relationship in light of Flint and GCDC's combined intent to utilize KWA for long-term service as early as 2016. DWSD operates pursuant to long-term contracts with its customers. As you may be aware, our model contracts are for a period of thirty years.



Councilmember Joshua M. Freeman
City of Flint
February 19, 2015
Page 2

However, in light of the work already done by Flint and GCDC in preparation to receive raw water from KWA, DWSD is open to exploring a long-term contractual arrangement in which DWSD provides full service to Flint (and GCDC) until such time as KWA is operational, and then a back-up service arrangement, thereafter. The specific terms of that back-up service arrangement would require some further negotiation, but I would assume that such an arrangement would be mutually beneficial in light of the concerns with utilization of the Flint River as a primary or secondary water source.

You have also asked a technical question about the steps necessary in order for Flint to convert back to DWSD for receipt of water service. While I agree that it is not as simple as flipping a switch, I do not believe that this conversion would be a significant obstacle for Flint and GCDC to overcome. In fact, there should not be any actions required of DWSD in order to resume service, since we are currently providing full service to GCDC through the GN-01 meter (formerly the FL-01 meter).

Finally, you have asked if the anticipated assumption of DWSD's wholesale operations by the Great Lakes Water Authority ("GLWA") will impact the proposal that has been made. In short, the answer to your question is that it would not, depending on the timing of the signing of a new contract between the parties. Under the terms of the GLWA Memorandum of Understanding and Articles of Incorporation, it is envisioned that the GLWA would assume all wholesale contracts of DWSD. Therefore, the GLWA would be bound by the contractual terms that are agreed upon between DWSD and the City of Flint and/or GCDC. Nevertheless, as the GLWA Board has now been seated and has a regular schedule of meetings, I would certainly anticipate advising the GLWA Board of the terms of any proposed contract between the parties, and to seek their input or listen to any concerns or suggestions that they might have. In any event, resumption of service in the short term to address Flint's current needs, remains available immediately under existing published rates, and requires no action by either Board.

I look forward to the continued discussions, and hope that there is a viable solution that can be reached for the benefit of all parties.

Sincerely yours,

Sue F. McCormick
Director, Detroit Water and Sewerage Department
Interim CEO, Great Lakes Water Authority

Cc: The Honorable Dayne Walling, Mayor, City of Flint
Gerald Ambrose, Emergency Manager, City of Flint
Flint City Council
The Honorable Michael E. Duggan, Mayor, City of Detroit
Mr. Jim Fausone, Chairman, Board of Water Commissioners
Mr. Robert Daddow, Chairman, Great Lakes Water Authority

Water Advisory Committee Members

~~Public Works~~ ~~Utilities~~ / Water

Initial group and offering citizen opportunity

Democracy Defense League

location

technical committee by ~~Mon~~ Tues
so

first meeting
Water Advisory
Committee

5
Mon or Thurs
first week of Mar

Feb 23 samples to DEQ

Mar 7 expected City notification requiring TTHN

Notice out to customers in March^{mid}

Quarterly report format

odor
cold
rash
taste

See a doctor - go to the doctor
allergic reaction

Medical
costs of
filter

Customer
call back
city will test for free

2/19/15 Water Improvements

EM and Mayor
top priority

implementing improvements now
need to hear from customers

Rob

water testing being done, incl households

safety, in compliance with laws + standards

posting monthly operating reports (transparent)

TTHMs have been reduced

discolored water

water quality improvements, "optimize chemicals", "tune up the plant"

SCADA upgrade - latest w/
continuous data

carbon filters
get carbon out

valve openings

"more avenues to talk to customers"

"fresh water", speed it through system

reprioritize capital, instrumentation + valve exercising

timing ← State approvals + engineering

weather complications

Vulnerability plan

provide additional info to

moving fast

caught Mays sleeping
on water

envelope - cost?

water has improved, more that can be done
weeks + months

getting the right
balance

defining water
quality

softer
further reduce TTHM
pH balance, lower

will be useful
for future water too

concerned people
are upset

additional testing
for chemicals not
part of standards
now - ordinance

employees

TO
w/r
pumps

Ambrosi

Nichols

myself

Howard

Duffy

Liz Mays

Lorenz

Finger

> 25

> 5

> 12

Jessica 12
Dugan



CITY OF FLINT

Dayne Walling
Mayor

Mr. Jerry Abramson
White House, Executive Office of the President
Director of Intergovernmental Affairs
1600 Pennsylvania Ave. NW
Washington, DC 20500

February 23, 2015

Dear Mr. Abramson

I am writing to request the support of the White House for improving the City of Flint's water quality and infrastructure. The President, Vice-President and White House have been highly engaged in seeking solutions for Flint challenges around public safety, neighborhood stabilization and economic development. We are very thankful for President Obama's leadership and dedicated support being provided through the Sustainable Communities, Choice Neighborhoods, Justice Innovation, and Strong Cities Strong Communities initiatives.

Now residents are most concerned about the safety and quality of the drinking water that is being treated from the Flint River. This is my top priority and work is being done every day to secure drinking water that is 100% safe according to the standards. As with other challenges, it is essential that we have a coordinated effort among Local, State and Federal agencies. To this end, I am requesting participation from the White House and Environmental Protection Agency on a City of Flint Technical Advisory Water Committee. The committee is expected to meet regularly through the transition to the new Karegnondi Water Pipeline and will include governmental, hospital, university and business sectors.

I welcome any technical assistance you are able to coordinate including expertise on water quality and public health, best practices with water treatment, and improving distribution system infrastructure. Thank you again for the valuable partnership. I look forward to working with you and Federal partners as we transform Flint into a sustainable 21st Century city with new jobs, safe neighborhoods, strong infrastructure and great schools.

Sincerely,

Dayne Walling
Mayor, City of Flint

CC: Mark Linton, Director, Strong Cities Strong Communities, White House Domestic Policy Council
Dr. Susan Hedman, Great Lakes Regional Administrator, U.S. Environmental Protection Agency
Mark Rupp, Deputy Associate Administrator for Intergovernmental Relations, U.S. EPA
U.S. Congressman Daniel T. Kildee
Paul Joice, Strong Cities Strong Communities, U.S. Department of Housing and Development

CA- Community Mtgs

2/23/15 Exec

Council Leadership
 Water Advisory Board Cmt
 Technical ~~Bza~~ Cmt

Schedule
 Mon - Council
 Tues 2/24 Digital Media 11am

Thurs - Budget Review?

Fri - CMU Talk

- Council

* 911 tower asset transfer notification

looking at 10 day initial timeframe + meetings

* budget priorities (Council this year)

- Orders

* organizational reporting

* Council + mayor compensation

* purchasing ordinance (not an order)

- Intro CA

- Veolia

* timelines?

- Budget

* dept heads focusing on cost reductions + restructuring going forward

- Staff Meetings, discussion

* size of core team

* all-staff larger info mtg

* and individual meetings w/ dept heads

EM, Mayor, CA

ongoing!
 budget, strategic objectives, annual services,
 performance metrics Key contracts

dept
profile

Flint Emergency Manager Task Chart

23-Feb

	Item	Who	7 Pt. Plan	Completion Date
Planning	Conduct Historic District Public Hearing	mh		1/16/2015 Complete
Finance	Present FY15 2nd Qtr Report to City Council	ds	7	1/21/2015 Complete
Public Safety	ICMA Study - Presentation to PS Cmte. and Implementation Plan	jt dc	7	1/22/2015 Complete
Admin	Begin Executive search (HR, Tr, Fin)			1/22/2015 Complete
Finance	Present FY14 Audit to City Council	ds	7	1/26/2015 Complete
Admin	Conduct Strategic Planning Workshop (staff)			1/26/2015 Complete
Planning	Adopt CIP	mh		1/26/2015 Complete
Council	Approval of Financial Ordinances		7	1/26/2015 Complete
Admin	Conduct Strategic Planning Wkshop (Council)	ja		1/28/2015 Complete
Admin	Provide a Letter on Council Training Plan	ja	7	1/28/2015
Finance	Complete Single Audit	ds	7	1/28/2015 Complete
Personnel	Make Interim Assignments HR, Finance	ja		1/30/2015 Complete
Admin	Enact Council Organizational Order	pb, ja		2/1/2015 Complete
Finance	Enact FY15 Budget Amendment	ds, ja		2/1/2015 Complete
Admin	Select Consultant for water issues	ja/em/dw		2/3/2015 Complete
Admin	Depts submit Strategic Plan Objectives	ja		2/9/2015 Complete
MML	Complete Profiles for FD, TR, HR			2/13/2015 Complete
Finance	Complete Strategic Plan Update	ja	7	2/18/2015 Complete
Fire	Decide on applying for SAFER Grant	dc lm		2/21/2015 Complete
Admin	City Administrator Starts	ja		2/23/2015 Complete
Admin	Extend Cornerstone Contract	ja		2/23/2015 Complete
IT	Implement IT Governance Model	pk		2/27/2015
Admin	Enact Organizational Reporting Order	pb, ja		2/27/2015
Finance	Complete Five Year Financial Projections	ja		2/27/2015
Communic	Complete Website Punch-list	jl		2/27/2015
Facilities	Complete Purchasing Relocation	hc		2/27/2015
DPW/Fin	Complete RFC analysis of utility revenues	ja		2/27/2015
Admin	Enact Purchasing Ordinance	ja	7	2/27/2015
Admin	Decide Council Pay / Mayoral Pay	ja		2/27/2015
DPW	Define specific Infrastructure projects	hc		2/27/2015
Finance	Establish Budget Prep Timeline	ds		2/27/2015
Admin	Receive priorities from Veolia	ja		2/27/2015
Finance	Update financial projections to Council	ds	7	3/4/2015
Admin	Enact business ; water collections; and general criminal ordinances	ja pb jf		3/6/2015
Admin	Evaluate Alternate DEP structure	ja		3/6/2015
Finance	Complete Court Consolidation MOU	ja		3/6/2015
Finance	Finalize MERS transition	ds		3/6/2015

Item		Who	7 Pt. Plan	Completion Date
Admin	Begin drafting Final Order/set transition date	pb,ja		3/6/2015
Facilities	Complete Law Office Renovation	hc		3/6/2015
Finance	Council to Adopt budget priorities	ja		3/9/2015
Legal	Complete Tower Transfer to GC 9-1-1	lm		3/10/2015
Legal	Complete Tower Property Lease	pb		3/10/2015
HR/Legal	Complete MOU for 9-1-1 Personnel	dj jc		3/10/2015
Legal	Complete MOU for 9-1-1	pb		3/10/2015
Admin	Adopt other Final Ordinances	ja jf pd	7	3/15/2015
Admin	Complete RTAB Confirmation	ja ww		3/15/2015
IT/ Clerk	Update City Council Chamber's technology	ib jf pk		3/15/2015
MML	Complete Advertisements for Positions			3/20/2015
Police/IT	Complete SRMS Implementation Charter	jt pk		4/2/2015
MML	Select finalists			4/3/2015
Finance	Provide 3rd qtr Strategic Plan Update	em		4/6/2015
Finance	Provide 3rd qtr Budget Update	ds		4/6/2015
Finance	Present FY16 Budget Update To City Council	ds	7	4/6/2015
Finance	Present FY17 Budget to City Council	ds	7	4/6/2015
Public Safety	Develop Public Safety Implementation Plan	jt dc		4/6/2015
Econ Dev	Complete Smith Village Development	ta		4/6/2015
Admin	Enact Final Order	ja pb lm	7	4/8/2015
Admin	Tell the Story of the Flint EM Period	ja lm eric s		4/10/2015
Finance	Present FY15 3rd Qtr Report to City Council	ds	7	4/15/2015
MML/Admin	Complete Reference Checks and Interviews			4/24/2015
MML/Admin	Make Appointments			5/1/2015
Clerk	Plan for Charter Commission Support	ib pb		5/1/2015
Clerk	Hold Charter Commission Election	ib pb		5/12/2015
MML/Admin	New Appointees (FD,TR,HR) start			5/15/2015
Personnel	Complete Executive Search	ja nh		5/15/2015
Police	Manage 911 Move	jt		7/1/2015
Finance	Present FY15 4th Qtr Report to City Council	ds		7/15/2015
HR	Participate in SEI 3-Day Workshop	hc		4/6-8/15
Utilities	Progress on Water Quality issues, including prep. for additional notifications	hc,dw,lm,j a,pb		Monitor
Legal/ Util	Monitor Chevy in the Hole Grant Contract	pb ja dj		Monitor
Treasury	Progress on Water Theft investigation	am		Monitor

Item	Who	7 Pt. Plan	Completion Date
Planning	mh	Monitor	Monitor
Complete CSX transfer for trail	ds	Monitor	Monitor
Finance			
MERS to complete pension valuations			
Planning/Clerk			
Complete Business Lic. Plan and			
Implementation	pb mh ib	Monitor	Monitor
Admin	ja em	Monitor	Monitor
Implementation of Public Safety Rec.	ja em	Monitor	Monitor
Admin	ja em	Monitor	Monitor
Progress of executive recruitment	ja em	Monitor	Monitor
Admin	ja ds	Monitor	Monitor
Progress of P&M finance projects	ja ds	Monitor	Monitor
Admin	ja	Monitor	Monitor
Progress of Council Training			

2/23/15 Exec

- facilities

- * options for city facility

- * north bldg usage

□ draft response to Curtis

- CA role, internal and external

- water advisory committees

- * community

- 2 goals: communicate about water system
input on concerns + questions

- at least monthly

- Thurs Mar 5

- chair, Jack Minore

- facilitator

- * technical

- open to public

- * get Veolia's input on ~~contract~~ committees

→ □ public hearing for OPRA?
check w/ Megan

2/24/15 Core Staff

- EM

- * Council, moving business forward, think ahead 30 days;
- * Staff: will ^{mtg} be CAs going forward largely
- * personal attention: final order, coordinating w/ CA, budget

- CA

- * ^{dept heads} upcoming mtgs w/ dept heads; open door policy;
- community, neighborhood areas; see City through your eyes

recommend
same to Council
→

- DPW: problem w/ main breaks; need better outreach;
- data on breaks and other stats; Veolia interim report tomorrow possibly w/ timeframes + costs;
- new ferric feed rates, reduced storage capacity, may be seasonal; more than 25 requests for tests;
- staff capacity or vendors for main breaks repairs
- March 15 next letter incl violation;

polling taking place incl rates

⇒ options explored prior to budget preparation
Small, medium or large infrastructure packages

2/24/15 Susan Hedman - EPA

Cincinnati Water Lab

Drinking Water Program

time commitment
monthly (w/ call in)
for approx year

3/4 2pm Weds

"someone will be on call"

Hedman "EPA will have a high level expert
participating Throughout the process"
name by end of week

February 27, 2015

To: Wayne Workman,

From: Jerry Ambrose, Emergency Manager, City of Flint

As the Emergency Manager for the City of Flint, I am charged with restoring the City government to financial solvency, and working to assure that the City moves forward on a financially sustainable basis. The steps taken over the past three years have been difficult. Taxes and fees have been raised, services and workforce reduced, and ongoing costs, including legacy costs, have been constrained.

The current controversy surrounding the provision of water, and the path for resolution, has a potentially significant impact on the progress that is being made. I am satisfied that the water provided to Flint users today is within all MDEQ and EPA guidelines, as evidenced by the most recent water quality results conducted for MDEQ. We have a continuing commitment to maintaining water safety and to improve water quality, and have dedicated resources to assure this commitment will be made.

The oft-repeated suggestion that the City should return to DWSD, even for a short period of time, would, in my judgment, have extremely negative financial consequences to the water system, and consequently to the rate payers. By the most conservative estimates, such a move would increase costs by at least \$12 million annually, with that amount achieved only by eliminating virtually all budgeted improvements in the system. For a system with Unrestricted Assets of only \$740,745, according to the June 30, 2014 audited financial statements, the only recourse within the City's control would be to raise rates. And in my judgment, such a rate increase would minimally be in the 30% range.

This direction of discussion also deviates from what, in my judgment, should be the focus: How can we not only operate and maintain a system to assure the delivery of safe and quality water dependably, but significantly reduce the cost of water and sewer to the users? At an average of \$149 per month for a residential user, the cost for this service is extremely high in comparison to surrounding areas, as well as most areas across the state, and creates a significant financial burden for many users. In my judgment, we should all be concentrating on how to reduce rates by 50% or more! Unfortunately, there are no easy or evident answers, and continuation of the status will be an impediment to the sustainable recovery of the City of Flint. It is a conversation that we will have with the recently created Water Quality Advisory Committee.

My reasoning for this conclusion is as follows:

One of the decisions made in the context of beginning to eliminate deficits and to restore financial stability to the City of Flint was to increase water and sewer rates significantly – the only choice available to financially stabilize a system that as of June 30, 2012, had a deficit of \$8,758,091. Another was to leave DWSD for the KWA because it offered the opportunity to lower future rate increases. A third decision was to utilize the Flint River on an interim basis when DWSD unilaterally terminated the City's contract for water purchase. That decision was made because it also offered an immediate cost savings opportunity which translated into the ability to upgrade the Water Treatment Plant without having to seek financing. It was a reasonable decision because of our experience in using the river in a back-up capacity, including test runs on a quarterly basis for several decades.

Unfortunately, the switch to the river as a primary source was more challenging than anticipated, and the harsh winter of 2013-2014 resulted in much more damage to the aging water infrastructure than in previous years. The result was the issuance of required notices that water exceeded established guidelines for safety as it could affect certain vulnerable populations, and some users of the system experienced unpleasant odors and discoloration. Some users appeared to have had some negative reactions to the new source of water. However, as soon as the test results were known, City staff took immediate actions to address the concerns. These actions are evidenced today by the fact that MDEQ has certified that our most recent testing shows water from all testing sites to be within acceptable guidelines. Additionally, the City is continuing to taking the necessary actions to assure that the water supply remains safe and that water quality continues to improve.

As the City has moved to address the situation, the suggestion has been made that the City should re-engage with DWSD and purchase water at least until the KWA pipeline is supplying water. As evidenced by the most recent letter from DWSD, such a decision would immediately increase the City's cost by \$846,700 per month, or \$10,160,400 per year, just for the fixed cost portion of the price. The actual purchase of water would be in addition, and dependent upon the quantity purchased. We estimate the actual water purchase cost to average more than \$1 million per month, for a grand total of approximately \$22 million. Finally, the DWSD offer is conditioned upon the City (or presumable its partners in KWA) agreeing to negotiate a long term contract (30 years) for back-up.

The \$22 million annual estimate of increased costs to purchase water from DWSD would be minimally offset by an approximate \$3 million in reduced operating costs, and could be further offset by an additional \$9 million, but only if all funding for capital improvements to the system are eliminated. To eliminate all funding dedicated to repairing, stabilizing, and improving the system would be totally irresponsible and would have long term negative consequences to the City and to future rate payers.

As you are aware we have recently brought in outside expert assistance to evaluate the steps we have taken to assure that the water is safe and to continue to improve water quality. We are expecting specific recommendations within the next few weeks, and are committed to implementing those recommendations in a timely manner. Many steps have already been taken. I am confident that implementing their recommendations will assure a continuing supply of safe water as well as improved quality, and at far less cost than re-engaging DWSD.

We have also created a 40 member Water Advisory Committee and a 13 member Technical Advisory Committee to assure two-way communication with the public and users of the system. Those committees will begin to meet within the next week, and we look forward to answering their questions and receiving their input.

It is unfortunate that problems and concerns with quality have arisen, and we are working every day to address the issues created them. Maintaining safe water and improving quality is a top priority as we work to make the City of Flint an attractive place to live, work, study, and play.

○ Liz for communications

3/2/15 Exec

- DPW/
Water: rates, safety/quality, DWSD;
consultants v. staff, costs + responsibilities +
experience; pushing too many infrastructure
projects; need for IT/efficiencies

under-utilized software across City, CA
list from IT

organizational reform / vision

budget process

Water Safety

communications

reasonable rates

- Council committees CA owns going forward
Finance resos format
Public Safety

- Council budget priorities

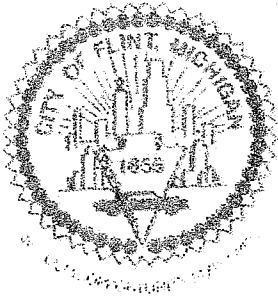
- Budget meetings w/ depts

- Budget picture, mid-March

- Lead Tests

- 5 Year Forecast

- EM Orders: Compensation, Council Meetings, Org



CITY OF FLINT
OFFICE OF THE EMERGENCY MANAGER



Gerald Ambrose
Emergency Manager

TO: Wayne Workman, Deputy Treasurer
Treasury Department
State of Michigan

FROM: Jerry Ambrose, Emergency Manager
City of Flint

DATE: March 3, 2015

As the Emergency Manager for the City of Flint, I am charged with restoring the City government to financial solvency, and working to assure that the City moves forward on a financially sustainable basis. The steps taken over the past three years have been difficult. Taxes and fees have been raised, services and workforce reduced, and ongoing costs, including legacy costs, have been constrained.

The current controversy surrounding the provision of water, and the path for resolution, has a potentially significant impact on the progress that is being made. I am satisfied that the water provided to Flint users today is within all MDEQ and EPA guidelines, as evidenced by the most recent water quality results conducted for MDEQ. We have a continuing commitment to maintain water safety and to improve water quality, and have dedicated resources to assure this commitment will be made.

The oft-repeated suggestion that the City should return to DWSD, even for a short period of time, would, in my judgment, have extremely negative financial consequences to the water system, and consequently to the rate payers. By the most conservative estimates, such a move would increase costs by at least \$12 million annually, with that amount achieved only by eliminating virtually all budgeted improvements in the system. For a system with Unrestricted Assets of only \$740,745, according to the June 30, 2014 audited financial statements, the only recourse within the City's control would be to increase revenues significantly. And in my judgment, that would come from raising rates for water by 30% or more. Further, changing the *source* of the city's water would not necessarily change any of the *aesthetics* of the water, including odor and discoloration, since those appear to be directly related to the aging pipes and other infrastructure that carry water from the treatment facility to our customers.